

## Three ways to boost your analytical skills

In this age of information overload, employers are looking for accountants who are analytical thinkers rather than just bean counters. An analytical thinker is equipped with the relevant skills to extract the relevant facts and figures from tons of information, and communicate them to the people in a systematic way. Developing strong analytical skills is essential to every aspiring accountant. It helps you not only attain a pass in professional examinations, but also solve problems in the workplace.

Every one of us possesses some intrinsic analytical skills but to set yourself apart, you have to perform better. Here are three handy tips for sharpening your analytical skills.

### 1. Learn to be observant

You see, but do you observe? While it may not be possible for you to be as observant as Sherlock Holmes, you can certainly keep a close eye on your surroundings to hone your senses and keep your mind active.

Just start with the people and things around you and ask the relevant questions. For example, how many times did your boss nod his or her head during the meeting? What was the most popular drink at the bar? Were there any new storefront displays at the shop on the corner? Incorporating critical questioning and thinking into your daily life could help you distinguish hard facts from biased assumptions and emotional inferences.

One can't see the whole elephant if he or she just touches part of it. So what should we do then in order to see the full picture? Reading editorials from various sources on the same topic, meeting people at industry events or exchanging views with expatriates are just a few examples of gaining diverse insights. You will soon be surprised how these learning experiences sharpen your analytical skills, which help you untangle the complexities of a situation.

### 2. Learn to connect the dots

Now you've learned to be observant, it's time to bring your analytical skills to the next level. Think of the scenes how Sherlock Holmes demonstrated his sensible observation and logical reasoning in novels and movies. He formulated logical hypotheses, examined the correlation of seemingly unrelated variables, eliminated the improbable scenario and finally solved the mysteries. Such analytical process, however, may seem to be too intricate for most people to handle.

The good news is that accountants are well trained to perform model-based analysis. If you wish to critically analyze the internal and external factors affecting an entity, you could refer to SWOT analysis and Porter's five forces model. If you need to estimate the theoretical market price of a bond, you could refer to the dividend valuation model. If a specific analysis model is not applicable in your case, you may consider adopting the 5W2H analysis. "5W-2H" stands for "What, Why, Where, When, Who, How and How much". It provides you with a framework to analyze an issue or explore the solutions. Most importantly, you should learn how to pick the model (or a combination of two or more models) that best fits your situation. You should also be aware of the limitations and constraints of the analysis models when putting them into practice.

### **3. Learn to draw logical and founded conclusions**

Drawing logical and founded conclusions is the most essential part of the analytical process. Logical conclusion can help you make wise and effective decisions while unfounded conclusions can seriously damage your credibility as a professional. Thus, an analytical accountant must acquire the skills to interpret raw data and hard facts, and seek reliable evidence to support the conclusion.

Before making the final conclusion, you are reminded to cross-check your analysis to avoid overlooking new information. In some cases, you may invite your managers and peers to comment on your work to make sure you do not miss any pieces of the jigsaw puzzles.

One can't become a sophisticated analyst overnight. Yet, one must be able to develop better analytical skills if he or she never stops learning and practising. Keep your momentum and you are not far away from success!